global economy, climate change and sustainable development on July 7, 2005. Leaders from seven African countries joined the discussions on Africa and development that were held on July 8, 2005.

2. The G-8 agreed that climate change is happening now, that human activity is contributing to it, and that it could affect every part of the globe. They adopted the Gleneagles Plan of Action on Climate Change, Clean Energy and Sustainable Development to address the problem of global warming. The Summit also initiated a new dialogue between the G-8 nations and other countries with significant energy needs, consistent with the aims and principles of the United Nations Framework Convention on Climate Change.

3. The G-8 recognised that in moving towards a low-carbon economy, leadership will be required from the developed world. They agreed to act with resolve and urgency now to meet the shared and multiple objectives of reducing greenhouse gas emissions, improving the global environment, enhancing energy security and cutting air pollution in conjunction with vigorous efforts to reduce poverty.

Debt burden of Orissa

*72. SHRI RUDRA NARAYAN PANY:
SHRI B.J. PANDA:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware of the fact that Orissa State has an accumulated debt burden of Rs. 31,636 crores as on 31st March, 2005;

(b) whether Government are also aware of progress made by Orissa State in reining in its deficits through tough and difficult steps;

(c) whether the cash-strapped State has requested the Centre to grant them monthly allocation of its plan assistance and share of Central taxes, as the State has no resources to meet its part of obligation for development works; and

(d) if so, the action plan of the Centre to help the State to overcome the current financial condition?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) According to information received from the Government of Orissa, the debt burden of the Government of Orissa, as on 31st March, 2005, is Rs. 34190.75 crores.

(b) Yes, Sir. Under the Medium Term Fiscal Reforms Programme undertaken by the Government of Orissa from 2000-01 to 2004-05 as per the MoU signed with Government of India, by 2004-05 (RE), Government of Orissa has been able to reduce the revenue deficit as a percentage of revenue receipts by 24.59 percentage points from 43.74% to 19.15%. The fiscal deficit of the State has also been brought down from Rs. 3746 crores in 1999-2000 to Rs. 3202 crores in 2004-05 RE.

(c) In a letter to the Finance Minister, the State Government has indicated that:

(i) under the new dispensation of the Central Government not acting as an intermediary for lending to States, the Central Government would released only the grant portion of Central assistance for the State Plan and it would be extremely difficult for a fiscally stressed State like Orissa to raise market borrowing of such a magnitude.

(ii) release of States' share in Central taxes in monthly instalments based on the latest data on actual tax collection would create difficulties in day to day management of the ways and means position of the State and hamper implementation of anti-poverty programmes and infrastructure development since the process of collecting actual data will take some time.

(d) In accordance, with the decision taken by Government of India to implement the recommendations of the Twelfth Finance Commission (TFC) relating to reschedulement of Central loans to States, reduction of interest rate on Central loans and write-off of debt outstanding of States to the Central Government, guidelines have been issued to States by Finance Ministry for preparing a fiscal correction path and drafting fiscal responsibility legislation as prescribed by the TFC. Orissa has enacted a Fiscal Responsibility and Budget Management Act which has come into force from 14th June, 2005 targeting elimination of the revenue deficit and reducing the fiscal deficit to 3% by 2008-09. The Twelfth Finance Commission has estimated the debt relief that could be available to Orissa from 2005-06 to 2009-2010 at Rs. 1008.43 crores in terms of lower interest payment and Rs. 872.85 crores in terms of principal repayments.